

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

**WS-04245A**  
**Red Rock Utilities, LLC** - Water  
**2200 E. River Road, Suite 115**  
**Tucson, AZ 85718**

R

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2007
----	----	------

FOR COMMISSION USE

ANN 04	07
--------	----

4-308

## COMPANY INFORMATION

**Company Name (Business Name)** Red Rock Utilities, LLC

**Mailing Address** 2200 E. River Road, Ste. 115  
(Street)

Tucson  
(City)

AZ  
(State)

85718  
(Zip)

(520) 577-0200

Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

(520) 602-5288

Cell No. (Include Area Code)

**Email Address** mweinberg@diamondvsn.com

**Local Office Mailing Address** 2200 E. River Road, Ste 115  
(Street)

Tucson  
(City)

AZ  
(State)

85718  
(Zip)

(520) 577-0200

Local Office Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

(520) 602-5288

Cell No. (Include Area Code)

**Email Address** mweinberg@diamondvsn.com

## MANAGEMENT INFORMATION

**Management Contact:** Mark Weinberg General Manager  
(Name) (Title)

2200 E. River Road, Ste. 115  
(Street)

Tucson  
(City)

AZ  
(State)

85718  
(Zip)

(520) 577-0200

Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address** mweinberg@diamondvsn.com

**On Site Manager:** Dan Kale and/or Robert Iannarino P.E.  
(Name)

2200 E. River Road, Ste. 115  
(Street)

Tucson  
(City)

AZ  
(State)

85718  
(Zip)

(520) 682-9669 or (520) 577-0200

Telephone No. (Include Area Code)

(520) 682-9696

Fax No. (Include Area Code)

(520) 429-8627

Cell No. (Include Area Code)

**Email Address** dkale@redrockutilities.com

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:**Chad Kolodisner

(Name)

2200 East River Rd. Ste 115

(Street)

Tucson

(City)

AZ

(State)

85701

(Zip)

(520) 577-0200

Telephone No. (Include Area Code)

(520) 299-5602

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Attorney:**Shilpa Hunter-Patel

(Name)

3003 North Central Ave, Ste 2600

(Street)

Phoenix

(City)

AZ

(State)

85012-2913

(Zip)

(602) 916-5356

Telephone No. (Include Area Code)

(602) 916-5556

Fax No. (Include Area Code)

Cell No. (Include Area Code)

**Email Address**

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☐ Sole Proprietor (S)☐ C Corporation (C) (Other than Association/Co-op)☐ Partnership (P)☐ Subchapter S Corporation (Z)☐ Bankruptcy (B)☐ Association/Co-op (A)☐ Receivership (R)☒ Limited Liability Company☐ Other (Describe) \_\_\_\_\_**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE☐ COCHISE☐ COCONINO☐ GILA☐ GRAHAM☐ GREENLEE☐ LA PAZ☐ MARICOPA☐ MOHAVE☐ NAVAJO☒ PIMA☒ PINAL☐ SANTA CRUZ☐ YAVAPAI☐ YUMA☐ STATEWIDE

**Company Name: Red Rock Utilities, LLC**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D. (OC less AD)</b>
301	Organization Cost	54,296		54,296
302	Franchise Cost	78,106	3,342	74,764
303	Land and Land Rights	32,810	1,641	31,169
304	Structures and Improvements	8,049	323	7,726
307	Wells and Springs	737,892	42,170	695,722
311	Pumping Equipment	15,917	1,099	14,818
320	Water Treatment Equipment	446,292	-	446,292
330	Distribution Reservoirs and Standpipes	1,454,518	68,507	1,386,011
331	Transmission and Distribution Mains	1,377,610	36,448	1,341,162
333	Services	296,828	7,430	289,398
334	Meters and Meter Installations	69,390	1,910	67,480
335	Hydrants	122,807	3,070	119,737
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	651	17	634
340	Office Furniture and Equipment	5,107	210	4,897
341	Transportation Equipment	8,224	206	8,018
343	Tools, Shop and Garage Equipment	6,692	239	6,453
344	Laboratory Equipment	14,717	736	13,981
345	Power Operated Equipment	18,224	456	17,768
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>4,748,130</b>	<b>167,804</b>	<b>4,580,326</b>

This amount goes on the Balance sheet Acct. No. 108 

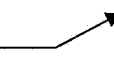
**NOTE:** Water Treatment Equipment is not in service as of December 31, 2007.

**NOTE:** In the current year, certain utility plant assets have been reclassified to conform to current year presentation. These reclassifications have no impact on previously stated accumulated depreciation or prior year net income.

**Company Name: Red Rock Utilities, LLC**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)*</b>	<b>Depreciation Expense (1x2)</b>
301	Organization Cost	54,296	5.00%	
302	Franchise Cost	78,106	5.00%	3,342
303	Land and Land Rights	32,810	5.00%	1,641
304	Structures and Improvements	8,049	5.00%	323
307	Wells and Springs	737,892	5.00%	35,672
311	Electric Pumping Equipment	15,917	5.00%	794
320	Water Treatment Equipment	446,292	5.00%	-
330	Distribution Reservoirs and Standpipes	1,454,518	5.00%	68,507
331	Transmission and Distribution Mains	1,377,610	5.00%	36,448
333	Services	296,828	5.00%	7,430
334	Meters and Meter Installations	69,390	5.00%	1,910
335	Hydrants	122,807	5.00%	3,070
336	Backflow Prevention Devices	-	5.00%	
339	Other Plant and Misc. Equipment	651	5.00%	17
340	Office Furniture and Fixtures	5,107	5.00%	179
341	Transportation Equipment	8,224	5.00%	206
343	Tools, Shop and Garage Equipment	6,692	5.00%	239
344	Laboratory Equipment	14,717	5.00%	736
345	Power Operated Equipment	18,224	5.00%	456
346	Communications Equipment	-	5.00%	
347	Miscellaneous Equipment	-	5.00%	
348	Other Tangible Plant	-	5.00%	
	<b>TOTALS</b>	<b>4,748,130</b>		<b>160,970</b>

This amount goes on Comparative Statement of Income and Expense Acct No. 403. 

\* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

**BALANCE SHEET**

<b>Acct. No.</b>		<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 696,858	\$ 449,703
134	Working Funds		
135	Temporary Cash Investments	-	-
141	Customer Accounts Receivable	8,604	16,016
146	Notes/Receivables from Associated Companies		
151	Plant Materials & Supplies		
162	Prepayments	807	
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 706,269	\$ 465,719
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 273,376	\$ 4,301,838
103	Property Held for Future Use	-	
105	Construction Work in Progress	2,110,592	446,292
108	Accumulated Depreciation - Utility Plant	(6,834)	(167,804)
121	Non-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 2,377,134	\$ 4,580,326
	<b>TOTAL ASSETS</b>	\$ 3,083,403	\$ 5,046,045

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR (RESTATED)*</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 96,871	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	-	-
235	Customer Deposits		120,269
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 96,871	\$ 120,269
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds		
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	25,000	1,802,667
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 25,000	\$ 1,802,667
	<b>TOTAL LIABILITIES</b>	\$ 121,871	\$ 1,922,936
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued		
211	Paid in Capital in Excess of Par Value	2,932,057	3,128,733
215	Retained Earnings	29,475	(5,624)
218	Proprietary Capital (Sole Props. And Partnerships)	-	
	<b>TOTAL CAPITAL</b>	\$ 2,961,532	\$ 3,123,109
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 3,083,403	\$ 5,046,045

\* Restatement to correct retained earnings and paid in capital that was recorded as Proprietary Capital in the 2006 ACC Report.

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Sales	\$ 108,504	\$ 265,958
460	Unmetered Water Sales		
474	Other Water Revenues		15,106
	<b>TOTAL REVENUES</b>	\$ 108,504	\$ 281,064
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 30,205	\$ 82,048
610	Purchased Water		
615	Purchased Power	9,813	16,305
618	Chemicals		1,922
620	Repairs and Maintenance		2,885
621	Office Supplies and Expense	2,131	5,348
630	Outside Services	29,720	34,486
635	Water Testing		1,506
641	Rents		
650	Transportation Expense		1,084
657	Insurance - General Liability	18,177	5,127
659	Insurance - Health and Life		146
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	759	1,428
403	Depreciation Expense	6,834	160,970
408	Taxes other than Income	6,354	26,263
408.11	Property Tax		84
409	Income Tax	1,550	-
	<b>TOTAL OPERATING EXPENSES</b>	\$ 105,543	\$ 339,602
	<b>OPERATING INCOME (LOSS)</b>	\$ 2,961	\$ (58,538)
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 21,457	\$ 23,439
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	-	-
	<b>TOTAL OTHER INCOME (EXPENSE)</b>	\$ 21,457	\$ 23,439
	<b>NET INCOME (LOSS)</b>	\$ 24,418	\$ (35,099)



**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 105,182
Meter Deposits Refunded During the Test Year	\$ 4,000

<b>COMPANY NAME – Red Rock Utilities, LLC</b>	
<b>Name of System: Red Rock Utilities</b>	<b>ADEQ Public Water System Number: 11-160</b>

## **WATER COMPANY PLANT DESCRIPTION**

### **WELLS**

<b>ADWR ID Number*</b>	<b>Pump Horsepower</b>	<b>Pump Yield (gpm)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (inches)</b>	<b>Year Drilled</b>
55-599556	75	750	800	16	6"	2003
55-599557	75	750	900	16	6"	2003

\* Arizona Department of Water Resources Identification Number

### **OTHER WATER SOURCES**

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
N/A		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
7.5	1	50	
20	1		
50	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
900,000	1	5,000 GLN	2

COMPANY NAME – Red Rock Utilities, LLC	
Name of System: Red Rock Utilities	ADEQ Public Water System Number: 11-160

### WATER COMPANY PLANT DESCRIPTION (CONTINUED)

#### MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	C900	142
6	Ductile (DIP)	1,342
8	C900 PVC	18,635
10		
12	C900 PVC	10,453
12	Ductile (DIP)	735

#### CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	267
3/4	
1	5
1 1/2	
2	2
Comp. 3	8
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

#### TREATMENT EQUIPMENT:

Ion Exchange / Removal

Water Treatment plant for Nitrate removal / remediation utilizing an Ion exchange process at Well #1

#### STRUCTURES:

CL2 Building

#### OTHER:

Company Name: Red Rock Utilities, LLC
Name of System: Red Rock Utilities ADEQ Public Water System Number: 11-160
<b>WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007</b>

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1	1,488	2,582	0
FEBRUARY	1	2,565	2,564	0
MARCH	1	4,485	4,310	0
APRIL	2	11,952	11,910	0
MAY	3	12,645	12,175	0
JUNE	4	5,819	6,439	0
JULY	4	3,321	2,676	0
AUGUST	199	1,337	1,640	0
SEPTEMBER	241	1,412	1,430	0
OCTOBER	256	2,015	2,984	0
NOVEMBER	274	3,098	3,606	0
DECEMBER	286	3,780	1,613	0
TOTAL		53,917	53,929	0

What is the level of arsenic for each well on your system?

(If more than one well, list each separately)

Well #1 - .0018 mg/l

Well #2 - .0018 mg/l

If system has fire hydrants, what is the fire flow requirement? 1500 GPM for 2 hrs.

If system has chlorination treatment, does this treatment system chlorinate continuously?

☐ Yes ☒ No

Is the water utility located in an ADWR Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita (GPCD) requirement?

☐ Yes ☒ No

If Yes, please provide the GPCPD amount: \_\_\_\_\_

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME – Red Rock Utilities, LLC

YEAR ENDING 12/31/2007

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 84

Attach to this annual report proof (e.g. property tax bills stamped “paid in full” or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Treasurer Search - Parcel Details****New Search****The Parcel Number shows the following information:****Parcel Number:** 410-12-001E4**Name:** RED ROCK UTILITIES LLC**Legal Information:****Attn:**

COM @ SW COR OF SEC 09-10S-10E TH N43D E-  
2447.84 TO POBTH CURVE TO LEFT W/RAD OF  
767.50 AN ARC DIST OF 202.34TH S88D E-200.00  
THS01D W-200.00 TH N88D W-226.52 TO POB AKA  
WELLSITE #3 BK-15 OF SURVEYS PG-095 41755 SQ  
FT .96 AC

**Address:****Address:** 2200 E RIVER RD STE 115**City:** TUCSON**State:** AZ**Zip:** 85718Last Updated: **03/06/2008**

Year	1st ½ Billed 2nd ½ Billed	1st ½ Paid 2nd ½ Paid	1st ½ Int 2nd ½ Int	1st ½ Due 2nd ½ Due	Total Due	If Paid By:
2007	\$84.82 \$0.00	\$84.82 \$0.00	\$0.00 \$0.00	\$0.00 \$0.00	\$0.00	03/31/2008

**Value:** \$3,936.00

<b>TOTAL DUE:</b>	<b>\$0.00</b>	<b>03/31/2008</b>
<b>TOTAL DUE:</b>	<b>\$0.00</b>	<b>04/30/2008</b>
<b>TOTAL DUE:</b>	<b>\$0.00</b>	<b>05/31/2008</b>

Click on the current year above for a list of specific tax information for this parcel.

**New Search**

If you wish to print this page, please set your printer to "LandScape" for best results.

**VERIFICATION  
AND  
SWORN STATEMENT**  
Taxes

**RECEIVED**

APR 02 2008

AZ CORP COMM  
Director Utilities

**VERIFICATION**

STATE OF Arizona

**I, THE UNDERSIGNED**

**OF THE**

COUNTY OF (COUNTY NAME)
Pinal County
NAME (OWNER OR OFFICIAL) TITLE
Diamond Ventures, Inc., an Arizona Corporation, Manager, by its Vice President, Mark Weinberg
COMPANY NAME
Red Rock Utilities, LLC

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

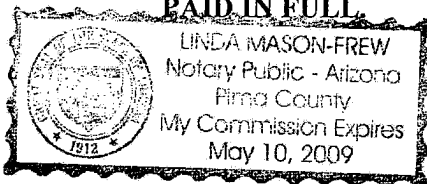
MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**



SIGNATURE OF OWNER OR OFFICIAL

520-577-0700

TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS**

26th

**DAY OF**

**(SEAL)**

**MY COMMISSION EXPIRES** 5/10/09

COUNTY NAME

PIMA

MONTH

MARCH

.2008

Linda Mason-Frew

SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Red Rock Utilities, LLC

YEAR ENDING 12/31/2007

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 0  
Estimated or Actual Federal Tax Liability State Taxable Income Reported 0  
Estimated or Actual State Tax Liability 

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances 0  
Amount of Gross-Up Tax Collected 0  
Total Grossed-Up Contributions/Advances 0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
SIGNATUREMARCH 26, 2008  
DATEMARK WEINBERG  
PRINTED NAMEGENERAL MANAGER  
TITLE



**VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only**

**RECEIVED**

APR 02 2008

**VERIFICATION**

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	AZ CORP COMM Director Utilities
Pinal County	
NAME (OWNER OR OFFICIAL) TITLE	
Diamond Ventures, Inc., an Arizona Corporation, Manager, by its Vice President, Mark Weinberg	
COMPANY NAME	
Red Rock Utilities, LLC	

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

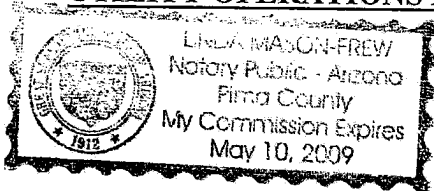
**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:



Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 281,064

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 26,263  
IN SALES TAXES BILLED, OR COLLECTED)

**\*\*REVENUE REPORTED ON THIS PAGE MUST  
INCLUDE SALES TAXES BILLED OR  
COLLECTED. IF FOR ANY OTHER REASON,  
THE REVENUE REPORTED ABOVE DOES NOT  
AGREE WITH TOTAL OPERATING REVENUES  
ELSEWHERE REPORTED, ATTACH THOSE  
STATEMENTS THAT RECONCILE THE  
DIFFERENCE. (EXPLAIN IN DETAIL)**

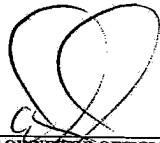
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 26th DAY OF

(SEAL)

MY COMMISSION EXPIRES 5/10/09

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
\_\_\_\_\_  
TELEPHONE NUMBER

COUNTY NAME <u>PIMA</u>	
MONTH <u>MARCH</u>	YEAR <u>2008</u>

Linda Mason-Frew  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

RECEIVED

APR 02 2008

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 281,064

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 26,263  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

(520) 577-0200

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

26th

DAY OF

NOTARY PUBLIC NAME

LINDA MASON-FREW

COUNTY NAME

PIMA

MONTH

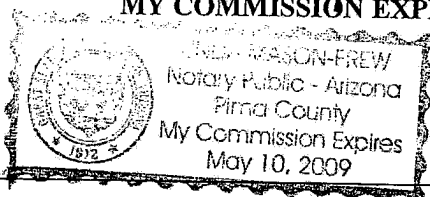
MARCH

.20

(SEAL)

MY COMMISSION EXPIRES

5/10/09



X

Linda Mason-Frew

SIGNATURE OF NOTARY PUBLIC

**RED ROCK UTILITIES, LLC  
(WATER DELIVERY OPERATIONS)**

**YEAR ENDED DECEMBER 31, 2007**

**RED ROCK UTILITIES, LLC  
(WATER DELIVERY OPERATIONS)**

**YEAR ENDED DECEMBER 31, 2007**

**CONTENTS**

	Page
Accountants' compilation report	1
Financial statements:	
Balance sheet	2
Statement of operations	3



BEACH, FLEISCHMAN & CO., P.C.  
Certified Public Accountants/Financial & Business Advisors

Bruce D. Beach, CPA  
Peter F. Beahan, CPA, ABV  
Richard A. Bratt, CPA  
David J. Cohen, CPA  
Jo DeChatelet, CPA, CFP®  
Kevin J. Donovan, CPA, EA, MSPA  
Bryan S. Eto, CPA  
Marc D. Fleischman, CPA, ABV  
Robert G. Harbour, CPA, CVA

George Henderson, CPA  
David M. Iaconis, CPA  
Jimmy J. Lovelace, CPA  
Kathryn M. Ludwig, CPA  
Karen K. McCloskey, CPA, MST  
Kim D. Paskal, CPA, MBA  
Cynthia A. Schroeder, CPA  
Jay J. Senkerik, CPA

#### Members

Red Rock Utilities, LLC  
Tucson, Arizona

We have compiled the balance sheet of Red Rock Utilities, LLC - (water delivery operations) as of December 31, 2007, and the related statement of operations for the year then ended and accompanying information on pages 4 through 9, 13, and 15 through 17 of the annual Arizona Corporation Commission reports, included in the accompanying form prescribed by the Arizona Corporation Commission, Utilities Division, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, information that is the representation of management. We have not audited or reviewed the accompanying financial statements referred to above and, accordingly, we do not express an opinion or any other form of assurance on them.

The financial statements are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, which differ from U.S. generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such matters.

*Beach, Fleischman & Co., P.C.*

March 11, 2008

**RED ROCK UTILITIES, LLC  
(WATER DELIVERY OPERATIONS)**

**BALANCE SHEET**

**DECEMBER 31, 2007  
(See Accountants' Compilation Report)**

Docket No. W-02160A

**ASSETS**

Total property and equipment, net	<u>\$ 4,580,326</u>
Current assets:	
Cash and cash equivalents	449,703
Accounts receivable	<u>16,016</u>
Total current assets	<u>465,719</u>
	<u><u>\$ 5,046,045</u></u>

**CAPITALIZATION AND LIABILITIES**

Capitalization:	
Capital accounts	\$ 3,123,110
Deferred credit:	
Advances in aid of construction	1,802,667
Current liabilities	<u>120,268</u>
	<u><u>\$ 5,046,045</u></u>

**RED ROCK UTILITIES, LLC  
(WATER DELIVERY OPERATIONS)**

**STATEMENT OF OPERATIONS**

**YEAR ENDED DECEMBER 31, 2007  
(See Accountants' Compilation Report)**

Docket No. W-02160A

Metered water sales	\$ 281,064
Operating expenses	<u>339,602</u>
Operating loss	(58,538)
Total other income	<u>23,439</u>
Net loss	<u><u>\$ (35,099)</u></u>